

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCB HWSS 16-03 Specialty License Plate Program

**SPONSOR(S):** Highway & Waterway Safety Subcommittee

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Highway & Waterway Safety Subcommittee		Whittaker	Smith

### SUMMARY ANALYSIS

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates.

Presently, there are over 120 specialty license plates available for purchase in Florida. Specialty license plates are available to an owner or lessee of a motor vehicle who is willing to pay an annual use fee, ranging from \$15 to \$25, paid in addition to required license taxes and service fees. The annual use fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity.

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 1,000 plates (does not apply to collegiate license plates).

The proposed committee bill raises the minimum pre-sale voucher requirement for a specialty plate from 1,000 to 4,000 before manufacturing of that specialty plate can begin.

The proposed committee bill further provides that, effective July 1, 2018, the department must discontinue the issuance of a specialty plate if the number of valid specialty plate registrations falls below 4,000 for at least 12 consecutive months. A warning letter shall be mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 4,000 plates. Collegiate specialty plates continue to be exempt from this requirement.

The bill has no fiscal impact on state funds.

The bill provides that unless otherwise expressly provided, the effective date is July 1, 2016.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### **Specialty License Plates in General**

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates.<sup>1</sup> Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.<sup>2</sup> The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates.<sup>3</sup>

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 1,000 plates (does not apply to collegiate license plates).<sup>4</sup>

Organizations in receipt of specialty license plate revenue must adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.<sup>5</sup>

A moratorium on the issuance of specialty license plates was imposed by lawmakers in 2008, originally set to expire in 2011; it has been extended to July 1, 2016.<sup>6</sup>

#### **Proposed Changes**

The bill amends s. 320.08053, F.S., increasing the minimum voucher sales from 1,000 to 4,000 before manufacturing of a specialty license plate may begin.

The bill amends s. 320.08056, F.S., providing that effective July 1, 2018, DHSMV must discontinue the issuance of a specialty license plate if the number of valid specialty plate registrations falls below 4,000 for

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<sup>1</sup> Ch. 86-88, Laws of Florida

<sup>2</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited November 10, 2015)

<sup>3</sup> s. 320.08056(2), F.S.

<sup>4</sup> s. 320.08056 (8)(a), F.S.

<sup>5</sup> s. 320.08062, F. S.

<sup>6</sup> Ch. 2008-176, Laws of Fla., as amended by Ch. 2010-223 and Ch. 2014-216, Laws of Fla.

at least 12 consecutive months. A warning letter shall be mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 4,000 plates.

As of November 6, 2015, there were 28 specialty plates with less than 4,000 active registrations.<sup>7</sup> This count does not include collegiate plates which are exempt from the minimum active plate requirement.

**B. SECTION DIRECTORY:**

- Section 1** Amends s. 320.08053, F.S., increasing the minimum voucher sales from 1,000 to 4,000 before manufacturing of a specialty license plate may begin.
- Section 2** Amends s. 320.08056, F.S., providing that effective July 1, 2018, DHSMV must discontinue the issuance of a specialty license plate if the number of valid specialty plate registrations falls below 4,000 for at least 12 consecutive months.
- Section 3** Provides that unless otherwise expressly provided, the effective date is July 1, 2016.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:  
None
2. Expenditures:  
None

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:  
None
2. Expenditures:  
None

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Revenues generated from the sale of specialty license plates are distributed to various organizations. Should a specialty license plate be deauthorized the recipient organization would no longer receive distributions from the sale of the specialty license plate.

**D. FISCAL COMMENTS:**

None

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

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<sup>7</sup> Email from the Florida Department of Highway Safety and Motor Vehicles on file with the Highway and Waterway Safety Subcommittee.

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**